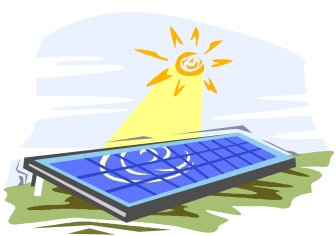


WHY GREEN POWER FOR *Johnson & Johnson*

7TH NATIONAL GREEN POWER MARKETING CONFERENCE

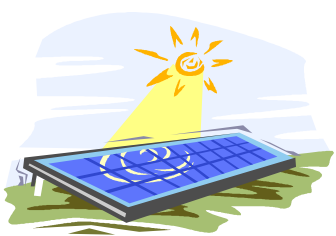
SEPTEMBER 30 – OCTOBER 2, 2002



WHY PURCHASE GREEN POWER?



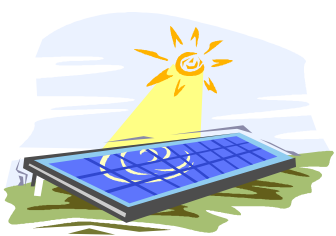
- **Long term solution to energy problem**
- **Reduce GHG emissions**
- **Hedge against electricity price increases**
- **Support US Voluntary Programs & United Nation Kyoto Protocol**
- **Proactive – Demonstrate Industry Leadership**
- **Hedge against the uncertainty of future environmental regulations & taxes**
- **Support Johnson & Johnson's CO₂ reduction goal (internal & public)**



WHY PURCHASE GREEN POWER? (FOCUS ON ON-SITE GENERATION)



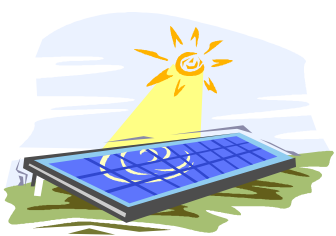
- **Energy cost savings**
- **Eliminate transmission constraints & inefficiencies**
- **Reduce peak demand**
- **Enhanced community relations**
- **Utilize available incentives**
- **Enhanced security of energy supply, diversify energy portfolio**



OBSTACLES TO GREEN POWER PURCHASES



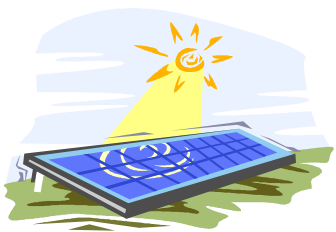
- **High costs**
- **Familiarity with the technologies**
- **Availability (Wind, Solar)**
- **Superior environmental characteristics
have no monetary value**



HOW ARE ENERGY PURCHASING DECISIONS MADE?



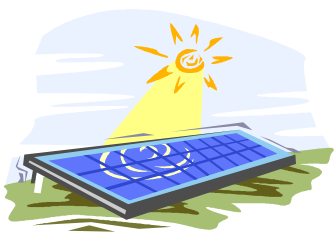
- **Reliability is #1**
- **Cost**
- **Consider environmental benefits**
- **Consider additional benefits (hedge, public relations, etc.)**



IMMEDIATE FUTURE AT JOHNSON & JOHNSON



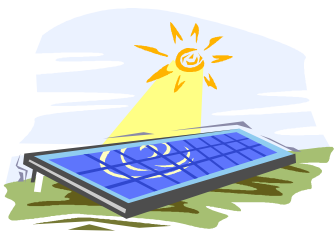
- **Electricity RFP: 15% Green Power**
- **On-site solar proposals: 3.0 MW**
- **Fuel cell pilot planned**
- **On-site wind planned: 4 MW**
- **Landfill gas project proposed**



LONG TERM PLAN AT JOHNSON & JOHNSON



- **Cover all roofs with solar pv**
- **Incorporate integrated solar pv systems in new construction**
- **Additional on-site wind & landfill gas**
- **Increase electric RFP to 25+%**



INNOVATIVE STRATEGIES FOR MARKETERS



- **Improved & flexible price structures
(Ex. Supplier takes incentive directly)**
- **Bundled package
(Ex. Solar pv + Lighting upgrade)**
- **Monetize the additional benefits
(Ex. Public Relations)**
- **General Awareness Campaign**
- **Contact Climate Leaders**

